



Ambassador John Berry – American Chamber of Commerce Luncheon

**Ambassador Berry's Remarks for
American Chamber of Commerce Luncheon
Shangri-La Hotel, Sydney**

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Thank you, Niels, for that wonderful introduction.

Thank you President Dougherty, and former President Steve Sargent.

Guests –

I would like to express my appreciation to the American Chamber of Commerce for your kind invitation to address your members today.

Not long after I arrived in Australia, I was given a copy of a little book: *Instructions for Servicemen in Australia*. During World War II, American military personnel were given copies so they would understand a little bit about this exotic new land when they came for R&R or were stationed here.

It's an interesting piece of history.

Oddly, there is absolutely no mention in the book of all the snakes, spiders, salties, jellyfish, sharks, or other interesting Australian wildlife that can cause grisly death in seconds.

One of the things that struck me the most, however, was a little table that compared what Australians ate to what Americans ate. In 1942, Australians consumed only about one half pound of coffee per year. Today, it's almost seven pounds per person. Tea was exactly the opposite for Americans.

What those changing numbers mean is something that most of you already know very well. As markets shift and demand changes, business opportunities arise. We may have introduced coffee to Australians -- but I'd have to admit -- they have left us in the dust on what constitutes a good cup of "joe."

Over the past few decades, there are few regions in the world where as many opportunities exist as here in the Asia-Pacific. And there are few countries where we have worked together to maximize opportunities like we have here in Australia.



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Today, I want to take advantage of this opportunity to talk about: (1) the foundation of our relationship with Australia, (2) how we've strengthened our economic ties, and (3) the exciting potential "game changers" ahead for all of us.

The Rebalance to the Asia-Pacific and U.S.-Australia Security Ties

A good place to start is 1942. Manila, Singapore and countless islands had fallen.

At the Battle of the Coral Sea -- the 72nd anniversary of which we just commemorated -- brave Australians and Americans fought on land, on the sea, and in the air to ensure their children and grandchildren would live in a world more peaceful and prosperous than the one they knew. For the first time, they stopped the seemingly inexorable advance of a hostile force.

The peace and prosperity they secured is our shared inheritance. And it has been the enabling force underpinning the dynamic growth of the Asia Pacific region.

In 2011, President Obama announced during a speech to the Australian Parliament a U.S. "rebalance" to the Asia-Pacific and emphasized both the importance of the region and our place in it.

Our overall goal is: "to sustain a stable security environment and a regional order rooted in economic openness, peaceful resolution of disputes, and respect for universal rights and freedoms."

As American businesses operating in Australia, you know better than anyone that the Asia-Pacific region -- which includes half of the world's population and is responsible for more than half of global trade and economic output -- drives the world's economy.

In April, the President made his fifth trip to the region. During his visits to Japan, Korea, the Philippines and Malaysia, there was a strong focus on economics, on trade, and on innovation. And that was because these are the very things that make countries grow, that make them stronger, and that bring us closer together.

We'll welcome the President to Australia again in November for the G20. And he'll see first-hand terrific examples of ways we have built on the foundation of our strong post-WW II security cooperation with Australia to expand bilateral economic engagement.

He will have to look no farther than the 72 Joint Strike Fighters and eight P-8A Poseidon planes the Royal Australian Air Force will purchase from the U.S. defense industry.



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These deals – worth more than \$16 billion together – are important to both of our defense industries and will increase our interoperability with our Australian friends.

And with Australia as a perennial top-five destination for U.S. Foreign Military Sales, there is no doubt this relationship is rock solid.

But when we talk about the U.S. rebalance to the Asia-Pacific, it's also important to emphasize the President's key strategic economic component, which is the Trans-Pacific Partnership.

The TPP trade agreement is at the heart of the rebalance and our commitment to building prosperity in the region.

As you know, together with 10 other countries, the United States and Australia are negotiating an ambitious trade agreement that will bring down barriers to trade and investment, and open new markets.

We believe the TPP will become a model for addressing new and emerging trade issues in the 21st century, and through this agreement, American businesses and farmers will have greater access to a trading area that produces 40% of the world's GDP, creating more and better jobs.

Today, we are in the home stretch on the TPP negotiations.

During the President's visit to Japan last month, we made important progress on our bilateral market access discussions. Although there is still work to be done, momentum is on our side, and we look forward to completing the agreement as soon as possible.

Our goal is not just more trade. We seek better trade.

The TPP will include strong protections for workers, the environment, intellectual property, and innovation. This agreement will promote the free flow of information. It will help spread green and innovative technologies. It will improve the coherence of regulatory systems, and increase supply chain efficiency.

In short, the TPP will make trade flow more smoothly and more easily.

And there is no question the United States and Australia will be two of the major beneficiaries of this agreement, particularly when we take a closer look at how far we have come to strengthen our bilateral economic ties in recent years.



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Bilateral Economic Engagement

Foreign Minister Julie Bishop has referred to the United States as Australia's single most important economic partner.

And the statistics back up her claim.

Since the implementation of the Australia-U.S. Free Trade Agreement, our bilateral goods trade has nearly doubled to over \$35 billion.

And during this same period of time, not only has the AmCham's membership grown considerably, but the number of Australian companies operating in the United States has more than doubled as well.

By the end of 2013, U.S. Foreign Direct Investment stock in Australia was \$132 billion, and Australian companies had directly invested \$56 billion in the United States.

And, to Foreign Minister Bishop's point, if you include both direct and indirect investment, then our bilateral economic relationship exceeds \$1 trillion.

Proof of this is here today, in this very room.

Hundreds of U.S. companies, including those represented by many of you here today, have successful operations here in Australia.

I'm proud to say that some of Australia's largest resources projects are U.S. investments. Chevron's massive Gorgon and Wheatstone LNG projects represent the largest U.S. investments in Australia ever – more than \$70 billion. On completion, these projects will add around 24 million tons of LNG per year in exports to the Asia-Pacific market.

There are also impressive projects led by U.S. companies in Queensland.

For example, last week, Chinese Ambassador Ma and I visited the Australia Pacific LNG project on Curtis Island -- a joint venture partnership comprised of the U.S.-company ConocoPhillips, Chinese-owned Sinopec, and Origin Energy, an Australian company. Our visit underscored the potential Australia holds for cooperating economically not only with Australian counterparts but with the countries of the Asia-Pacific as well.

These types of investments bring technology and capital into Australia, while creating jobs and enhancing our export sector at home.



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This is great, but we can't rest on our laurels. Competition is intense. In order to help our businesses and our economy, we are aggressively seeking new investment and export opportunities -- and making it easier for companies to do business in the United States.

Here in Australia, we have actively promoted the President's National Export Initiative, and we're excited about Commerce Secretary Pritzker's recently announced NEI/NEXT Initiative. This program will provide better information to U.S. companies, streamline export services, and expand access to financing.

In the past year, our NEI Team at the Embassy and Consulates have seen some notable successes here in Australia. In addition to the sale of Joint Strike Fighters and P-8A Poseidons I mentioned earlier, we've also engaged across several different sectors in the economy.

- We opened the Australian market to U.S. stone fruit, such as peaches and nectarines -- a market valued at about \$50 million per year to U.S. exporters.
- We also worked with the Export-Import Bank of the United States to secure financing for nearly \$700 million worth of U.S. exports as part of the Roy Hill iron ore mine project in Western Australia.
- And our hard-working Foreign Commercial Service team provided export assistance to more than 500 small- and medium-sized enterprises, generating new export opportunities in Australia for scores of American companies.

And our team is always on the lookout for new export opportunities for U.S. companies.

For example, both the U.S. and Australian navies have announced phased transitions to the use of biofuels, which could be a great opportunity for U.S. companies to partner with Australian agri-businesses to meet this demand.

On the other end of the spectrum, we want to make clear that we do not intend to be complacent when it comes to attracting new Australian investment to the United States.

Currently, the United States is the primary destination for Australian overseas investment.

BHP Billiton alone will invest \$3 billion in its shale gas project in Texas this year.

BHP's contribution goes much further than just money and jobs – they are developing innovative methods to improve production.



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And in the always sensitive non-conventional oil and gas sector, they are also working hard to be a good member of the community, to give back, and to be respectful of local concerns.

That's an impressive investment by any measure. But we'd like to see more companies like BHP Billiton investing in the United States. Foreign investment is great for the American economy.

The U.S. Commercial Service is organizing a SelectUSA road show to Australia this September. This mission will bring together U.S. state economic development offices and American businesses seeking foreign investment together with Australian companies seeking to invest overseas.

To summarize, whether we are discussing increasing U.S. exports to Australia or expanding opportunities for Australian investment in the United States, business is booming between our two countries, and we are doing everything we can to keep that trend going in the right direction.

As Australia's economy shifts focus from the energy and mining sectors to include more manufacturing and services, we expect opportunities to open up in a very diverse range of areas.

In particular, I think we – both Americans and Australians – can use our talents for the development of creative solutions as "game changers" to take our bilateral economic relationship to the next level.

Let's discuss just a few.

Game Changers -- Indigenous Entrepreneurship, Superannuation, and Innovation

First, it goes without saying that American businesses will be more successful in Australia if we are able to take advantage of all of the supply chains within the country, including businesses owned and operated by indigenous entrepreneurs.

Last night, it was a privilege for me to attend the annual gala dinner hosted by Supply Nation -- Australia's leading business association for the indigenous community.

I first learned of Supply Nation in February when I attended a Parliamentary event where the organization signed an MOU with the Business Council of Australia.

Supply Nation's partnership with BCA is aimed at encouraging BCA member companies to adopt supplier diversity -- including sourcing products and services from indigenous businesses - - as standard practice.



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And I thought the remarks at that event by BCA Chief Executive Jennifer Westacott rang true -- "that the emergence of the indigenous business sector is a unique opportunity for business and government organizations to support economic inclusion in a way that delivers economic and social benefits."

I'm pleased that a number of American companies, notably Citibank, were at the forefront of this effort.

And I am immensely proud to be a part of the Chamber's and Supply Nation's signing of an MOU to support this talented group of indigenous entrepreneurs. Thanks to Charles Prouse and Niels for executing this agreement today.

This MOU with Supply Nation that the AmCham finalized will forge new links and strengthen existing links between mainstream businesses and indigenous enterprises and entrepreneurs for mutual benefit across supply chains.

The AmCham, like BCA, will find that working cooperatively with indigenous entrepreneurs not only will expand your member companies' business linkages across Australia, but it also will enhance your ties with the community.

I hope to spark some good old-fashioned competition by creating the "Ambassador's Award" for next year's gala.

And I congratulate the AmCham Board for taking this important step towards enhancing your ties with Supply Nation Certified Suppliers.

Special thanks to Steve Sargent, Gavin Fox-Smith and Robert Hossary – and all the members – whose leadership and swift action made this success possible.

A second "game changer" is the superannuation industry.

The Australian superannuation industry is sitting on a couple of trillion dollars in assets that need to be invested.

We want to bring some of this investment to the United States.

When I travel around the country and talk about the superannuation industry with my Australian friends, the discussions quickly turn to the big projects -- airports, toll roads, and other infrastructure -- that could be built with the help of superannuation assets.



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The United States could use that scale of investment.

And many of your companies, which are on the forefront of our commercial relationship with Australia, are well-placed to facilitate these linkages.

Our Foreign Commercial Service regularly puts together programs to connect superannuation funds with state governments and companies in the United States that are seeking investment.

And when I was in the United States in March, I spoke to representatives of New York State about this tremendous opportunity.

But we're looking for new ideas on how to make these linkages as well.

So if you have suggestions, I would encourage you to bring them to me.

Not only does superannuation present a huge opportunity for attracting investment to the United States, but it also presents opportunities for all of you operating here.

Because better infrastructure in Australia also will benefit the investment environment here.

As CBus Super Chairman Steve Bracks wrote in an op-ed last month, "Industry superannuation funds offer a natural fit to infrastructure investment. They are pooled, long-term investment vehicles whose investment horizons and strong cash flows are well suited to typically 20-to-30-year infrastructure investments".

And finally, President Obama believes that we can't "win the future" without investment in innovation.

Since my arrival here, I have been to every state and territory. Everywhere I go, I have been impressed by Australia's dynamism. Australians, like us, are innovators, builders, creators.

Today, the United States is investing more in basic research through the President's Strategy for American Innovation. We are promoting U.S. exports. We are encouraging entrepreneurship. And we are making historic investments in clean energy technology and advanced vehicle technologies.

I know Americans don't have a monopoly on good ideas, but U.S. companies are among the most creative and innovative in the world. But it is in our interest – in the world's interest – that we share ideas and work together to develop the technologies and products of the future.



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We need to look outside our borders – as well as within – for partners who can help us build a brighter, better future.

We will find few better partners in that effort than our friends here in Australia.

3M is doing some of its most cutting edge research right here in Sydney. This research, which includes developing new tests to detect allergens in food – will make life better for millions of people around the world.

Ideas from GE's employees in Western Australia have allowed those operations to streamline and improve its subsea production technology, trimming costs and improving productivity by 30 percent.

Ford is expanding its Global Design Center in Geelong. Officials have told me that they are excited about partnering with Australians on R&D here. They believe that the work of talented and innovative Australian engineers will be crucial to solving the design challenges of the future.

And, similarly, IBM has hired 150 Australian computer scientists and engineers to do advanced research and development in Melbourne.

Importantly, our innovation cooperation with Australia is not limited to the private sector. NIH is partnering with Australians who are performing brain research in Queensland, in Melbourne, and in Adelaide that is little short of miraculous.

But I don't just want to talk about innovation -- I want to do something to advance our cooperation in this area.

And that is why working with each of you I hope to launch the "Ambassador's Innovation Roundtable" and hold the first session in Canberra on July 30.

We need to see what we can do together to draw more attention to the great work that is being done in this area, as well as see what we can do to "connect more of the dots" and create a stronger network of bilateral cooperation on innovation.

Conclusion

The future belongs to those who anticipate opportunities, who adapt to changing markets and a changing world. Most of all, it belongs to those who can innovate and who can be creative.

Creativity is the hallmark of the U.S.-Australia economic partnership.



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And sometimes it seems the most overlooked value of our partnership is our creativity.

It seems too few people are aware that:

- Our long and storied partnership with Australia in space is one of the most enduring – and successful – examples of our bilateral cooperation. It has taken us to the moon, to Mars, and beyond our solar system. Australians have co-piloted the Mars rover, and NASA Administrator Bolden visited Australia in March to commemorate the 50th anniversary of the Deep Space Network.
- Australian researchers like Clare Smith are collaborating with U.S. counterparts to lead the way towards eradicating malaria. Dr. Smith -- a 2014 nominee for Australian of the Year -- is currently at the University of Massachusetts and has discovered a new anti-malarial compound, which could play a critical role in saving the lives of millions of people.
- And on the lighter -- but no less important -- side, I would be remiss if I failed to mention one of the biggest cinematic hits of the year. *The Lego Movie* already has made nearly half a billion dollars. The brains behind the blockbuster are Australian: Sydney studio Animal Logic. This studio was the first in Australia to make a feature length animated film – *Happy Feet*. Their creative film about singing and dancing penguins beat out a little movie called *Cars* – made by the underdog animators at Disney – for an Oscar. Since its founding, Animal Logic has worked on some of the biggest blockbusters in film.

My point is that the United States and Australia have a deeper and more enduring relationship than simply security ties or defense.

In fields as diverse as space cooperation, medical research, and the entertainment industry, Australians and Americans are working side-by-side to make the world a better place.

Side-by-side, we are partners in freedom, peace, and progress.

All of you in this room are an important part of that story.

You create jobs.

You invest in technology.

You take risks to create broader opportunity and a better future.



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Thank you for all you do to make a better and safer world with more opportunity for all.

May God bless your every effort, and always shine on our two great countries.